G. R. S. IX-5]

Previous references.

File No. 85-19

1919.

Serial Nos. 1-3

(67)

Later references.

Dep 1918 of 20

GENERAL AND REVENUE SECRETARIAT.

P. 29 *Serial Nos. 3*

Part B for December 1919 and Jan

SUBJECT.

Grant of Loans to Coffee Planters.

W D 1250—GPB—30,000 - 28-1-19

P. 24/30/4/1920

G. R. S. III—1] 191 9

GENERAL AND REVENUE SECRETARIAT.

(8-7)

NOTES.

File No. 85—19.

FILE HEADING.

Grant of Loans to Coffee Planters

From

M. Rasool Khan

No. Dated 29/10 Received 4/11

Diary No. 1497 | Enclos. | Spare Copies. | Serial No. 1.

BRIEF ABSTRACT OF LETTER.

Requests for grant of loan.
2) From the same requests to re-consider the decision of Govt. not to grant loans.

NOTES AND ORDERS.

" Presented at Mysore during the session of D R A. H. Secy. for favor of opinion. M. K. 3/11 "

Another letter of his has been received. Put up with reg.

M. V. K. 4/11

NOTES—First Sheet.

1517

WD 1238—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

File No. 85 of 1919.

Serial No.

Dewan's order on P. W. D. 1.

"May I know what reply was given to the representation at the Assembly."

"I think he was told to apply to D.C. & R.C. stating exceptional circumstances if any for Govt. assistance

M. N. K."

"Put up P.W.D."

The main file was submitted to Dewan on 4/11; with a draft reply to the R.C. intimating the sanction; for:-

5/11. Dft. forwarding the representations to Dy. Comr.

5/11 is submitted.

8/11

6/11 Flags)

The Coffee Planters has addressed separately practically all the Legislators and members; for:- If approved the Coffee Planters circular 18 in print that- his representation 6-11-19. has been replied by the D.C.—

Three reasons are given to support the request for grant loans:.

1) Marwaries and Lubbay lenders charge high rates of interest 36 to 48 p.c.

1:10 6/11

NOTE—Contn. sheet.

WD 1283—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

G7 File No. 85 of 1917.

Serial No.

2. High rate of exchange has discouraged remittances from England &

3. Forward Contracts for sales at low rates are being entered into by Planters in need of accommodation.

The Cases in which help was rendered last year were exceptional and the factors that chiefly worked adversely to the interests of planters then were the difficulty of exporting Coffee and the downward tendency of prices due to accumulating stocks. The Govt of India also recognised the need for assisting Coffee Planters and we also arranged for giving loans. No such difficulty exists this year. The planters had a very good crop last year and realised high prices for it. They cannot plead any special difficulty this year to justify Govt assistance.

Reasons why if really such high rates of interest are demanded from and paid by Coffee planters who are an intelligent body capable of safeguarding their interests, is not special in the case of Coffee cultivation and no Govt assistance can be claimed on the strength of

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

Serial No.

this argument. High rates are no doubt a serious handicap on all business including Coffee cultivation and the remedy is extension of banking facilities. The Bank of Mysore has a branch or agency at Chickmagalur and the applicant who is a resident of that place can easily obtain the required accommodation from the Bank there, if he can give security acceptable to the Bank.

As for reason no 2 if it has discouraged remittances from England it has also discouraged remittances from India as people who are expecting a further rise in exchange are tempted to hold their money in India. In any case this is not an argument for claiming Govt assistance. The question is, if Coffee planters can not get loans ~~under the~~ on interest rates ruling in the money market, and if persons in Chickmagalur where there is a branch or agency of the Mysore Bank can not say that he can not get accommodation on reasonable terms.

1517

WD 1288—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

File No. of 191 .

Serial No.

Reasons will not operate against the Planters if they can get loans on reasonable terms -

For reasons stated above I think there are no special considerations to justify Govt loans to Coffee Planters this year. Govt can not undertake to do ordinary banking business. The applicant may be informed that Govt do not see sufficient reasons to reconsider the orders already passed by them and that as there is a branch or agency at Chittagalve he may obtain the accommodation required by him according to the rules of the Bank.

Dewan)

1-11-16

DEWAN'S OFFICE.
Recd. on NOV 13 1916
Reg. No. 3264

NOTE—Contn. sheet.

Loans to Coffee Planters. 9

1919.

G. R. S. III-2]

General and Revenue Secretariat.

G. J. File No. 85 of 1919.

Serial No.	
9667 3264.	Repeated representations are being received on this matter and it is probable that the trouble complained of have some foundation in fact. I would suggest the file being sent unofficially to the Manager of the Mysore Bank with a request tha the actual state of affairs may be reported. If the facts reported are true, it would appear to be a proper case to the Bank to extend its business at Chickmagalur. 14.11.19
1263	Forwarded with compliments to the Manager, Bank of Mysore. W. for ~~Secretary to Government~~ his opinion By 18-11-19. Recommended

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-8-18—S.

WD 1288—GPB—60,000—1-12-16—8.

7

G. R. S. III-2]

General and Revenue Secretariat. | File No. of 191 .

Serial No.

Advances to Coffee Planters.

The statements made by Mr.C.Rasool Khan are in my opinion exaggerated. The financial position of the coffee planters in the State has considerably improved by the bumper crop plucked this past season - 1918/19. It is probable that planters, financed by London Agents, may have been at the outset inconvenienced somewhat by the reluctance of Exchange Banks to buy their bills, freely, on a continuous rising exchange, but this state of affairs was not limited to planters but to the whole export trade of India. This exchange bugbear, however, can but concern the European planter - Indian planters invariably sell their crop in India, and they must be gainers by the rise in price in Europe. Their difficulty lies in the fact that they are unable to offer satisfactory security for advances they may require during the plucking season. Invariably both their estate, and in many instances the crop as well, are mortgaged thus making it impossible for a Bank to render assistance. It must be borne in mind that the cultivation of coffee in the State covers a considerable area, and it is impossible for a Bank to make advances to all and every petty planter resident miles away, and whose financial position is a matter of much uncertainty,

NOTE—Contn. sheet.

WD 1283—GPB—60,000—1-12-16—S.

8

Serial No.

but to those who can offer an approved surety the Bank has gone out of its way to make temporary loans as is evident from its advances at the Chickmagalur Agency to coffee planters amounting to 75% of its total loans. The Bank are willing to grant short loans to planters who can assure them that their crop and estates are not mortgaged. From the enclosed correspondence with Mr.Meppen it will be observed that the Bank are prepared to consider advances to approved planters provided they either deposit the title deeds of their estate and their crop is free of mortgage. They are willing to extend financial facilities to planters whose crops are mortgaged if the existing mortgagee will join in the execution of the necessary bond as a surety to the Bank, and submit an independent report on the probable crop output of the estate to obtain an advance to the extent of 50% of such estimated crop value. He will thus be a kind of local agent of the Bank to see to the safeguarding of the crop and the collection of its sale proceeds. It would be unreasonable to expect the Bank to make advances on any other terms to planters whose estates and crop are fully mortgaged.

In conclusion I would like to state that no business offering satisfactory

NOTE—Contn. sheet.

28/11/19

WD 1288—GPB—60,000—1-12-16—S.

9

G. R. S. III-2]

General and Revenue Secretariat. | File No. of 191 .

Serial No.

security is turned down by the Bank, and it is more a question of the absence of marketable security rather than absence of Banking facilities in the State that is accountable for petitions of the nature of Mr.Rasool's. Advances on produce in the custody of the Bank, and in the case of respectable - - merchants in their own godowns, are always freely granted.

I hope to visit Chickmagalur when I shall specially discuss this question of advances to coffee planters.

NOTE—Contn. sheet.

10

D/O No.380

Office of the Economic Suptd.
Kadur Dist. Dated 6/7th Sept.1919

Dear Mr. Rose,

I am sending an application to Government copy of which I enclose - Would your Bank finance the planters if these or some modification of these terms are granted ?

An early reply will oblige.

Yours faithfully,

Sd. D. W. Meppen.

To

W. C. Rose, Esq.
Bank of Mysore, Ltd.
Bangalore.

11

No.G1.13/29125. 13th Sept.1919

Dear Mr.Meppen,

I have your letter of the 6/7th inst. with enclosure and note contents.

I now await the decision of the Government in the matter.

Will you kindly inform me if advances on growing crops will be restricted to unencumbered estates, if otherwise, whether the mortgagee will also be a party to the advance ?

Yours sincerely,

Sd. W. C. Rose.

Manager.

12

Copy of memorandum No.469 dated 17th Sept.1919 from Douglas W. Meppen, Esq. Economic Suptd. Kadur Dist. to W.C.Rose, Esq. Manager, Bank of Mysore, Bangalore.

Dear Mr. Rose,

Your favor of the 13th.

With reference to advances on growing crop on mortgaged estates, in hardly any case are the crops encumbered and the mortgagor has the power to sell them to anybody and the mortgagee is not a party to the transaction.

Last year the Government wanted the estates to be mortgaged and the mortgagee had to forego his prior right to give Covernment the first lien and many mortgagees declined to agree to this and the consequence was that only a small number of people were able to avail themselves of the Government loan. About 90% of the owners of coffee estates in this District have mortgaged them to some one.

Yours sincerely,

Sd.

1517

WD 1233—GPB—60,000—1-12-16—S.

13

G. R. S. III-2]

General and Revenue Secretariat.

R. D. File No. 85 of 1919.

Serial No.

Received. 4/12/19.

1512
4/12/19

DEWAN'S OFFICE.
Recd. on DEC 6 1919
Reg. No. 3806

Please)

18
1.12.19

In the circs stated by Mr. Rose Thumb Mr. Rasool Khan may be informed as proposed in the last para of my note 11-11-19

Mrlle
5/12/19

Dewan)

IK
5/12

NOTE—Contn. sheet.

WD 1288—GPB—60,000—1-12-16—S.

14

G. R. S. III-2]

General and Revenue Secretariat.

G. F. File No. 85 of 1919.

3806

Serial No.

I am gratified to learn that the Manager of the Mysore Bank proposes to visit Chickmagalur in order to discuss the question of advances to Coffee Planters. I expect the Bank will be able to adopt a more liberal attitude as a result of this visit of their Manager, as the records would seem to show that their present diffidence is due to a misapprehension of the situation. While Mr.Rose in his note referring to owners of Coffee estates, says "invariably both their estate and in many instances the crop as well are mortgaged", Mr.Meppen, the District Economic Superintendent, who ought to know the conditions in the District, says in a letter to Mr. Rose: "With reference to advances on growing crops on mortgaged estates, in hardly any case are the crops encumbered and the mortgagor has power to sell them to any body". If this is a correct representation of facts, the promise of the Bank to advance 50 % of estimated crop value should help very much. It will hardly be possible to get an estate which is not mortgaged, but whenever the mortgagor has full powers of disposal over the crops, I think the Bank should advance about 50 % of estimated value. This may be pointed out demi-officially to the Bank and a report of the result of the Manager's visit to Chikmagalur may also be requested for the information of Government.

NOTE—Contn. sheet.

Mr.

1917

WD 1288—GPB—60,000—1-12-16—S.

15

G. R. S. III-2]

General and Revenue Secretariat. | 97 File No. 85 of 191 .

Serial No.

Mr. Russol Khan may be informed that he should apply to the Bank for assistance, as Government cannot in normal conditions of trade give advances that may savour of competition with a private bank.

8.12.17

Dft. hrld. After issue the file may be sent to Members of council for perusal. Separate copies of replies as soon as they have been received from.

18/12.

12/12

May this be sent to the Members of council for perusal?

Yes 18 3-1-1920

2/1/20. 1st member
2nd member
3rd member

6.1.20.

9/1/20

Note—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | 7. File No. 85 of 191

Serial No.	
2)	Manager Mysore Bank — 7(38018 22-12-19 — conveys the gratification of Govt. at his proposed visit to Chickmagalur & requests to favour Govt. with a report of the result of his visit
3)	Tgm. Rasoolkhan — 7(38028 22-12-19 — Directs him to apply to Mysore Bank for assistance.

NOTE—Contn. sheet.

D 1497

97 S 97.

Dated, Chikmagalur, 29th October 1919.

M.N.Krishna Rao, Esquire, B.A.,

Financial Secretary to the Government

of Mysore, Bangalore.

Sir,

With reference to my representation at the recent Assembly meeting for the granting of Taccavi loans to Coffee Planters for the current year,-

I beg to request that you will be pleased to sanction the loans at an early date, as this is the season to carry out all work in the Coffee estates prior to crop picking which commences in November -

Advances for work are only available at from 3% to 4% and merchants are exploiting the smaller coffee planters and are making agreements to buy their crops at from Rs. 8/- to Rs.10/- a pound, the present price being Rs. 30/-.

I most respectfully request that you will be pleased to sanction the loan at once as some time must elapse for inspections and estimates of crops.

I beg to remain,

Sir,

Your most obedient servant,

C. Russell Rao

Coffee Planter & Member of the

Representative Assembly.

D 1503

Dated, Chikmagalur, 29th October 1919.

18

To,

K.R.Srinivasa Iyengar, Esquire, M.A.,
Third Member of Council,
Bangalore.

3rd copy.
Drafted today
15
4/11

Sir,

With reference to my representation at the recent Assembly meeting for the granting of Taccavi loans to Coffee Planters for the current year,-

I beg to request that you will be pleased to sanction the loans at an early date, as this is the season to carry out all work in the Coffee estates prior to crop picking which commences in November -

Advances for work are only available at from 8% to 4% and merchants are exploiting the smaller coffee planters and are making agreements to buy their crops at from Rs. 5/- to Rs.10/- a maund, the present price being - Rs. 30/-.

I most respectfully request that you will be pleased to sanction the loan at once as some time must elapse for inspections and estimates of crops.

I beg to remain,

Sir,

Your most obedient servant,

C. Russell Khan

Coffee Planter & Member of the Representative Assembly.

1445
11.11.19
Answered 7,
Final Letter, A/L
Compliments.
Advances — 7,
4/11/19

D 1515

G.R.S. III—3]

19

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Letter no — D/89. 10-19
from M. C. Rahuthan
Coffee Planter, &c; the
grant of Talkaveri Estate
to Coffee Planters for
the Current year.

Chief Secretary's orders
This may be transferred
to the Fl. Sect. for
early action.

(Illegible) C.S.B
3/11/19

Submitted. To be
may be transferred to the
Fl sect.

3/11 Vy

Submitted as per
Secy's order

B 4/11

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

D 575 20

Dated, Chikmagalur, 29th October 1919.

To, The Hon'ble transferred & file

C.S.Balasundaram Iyer, Esquire,B.A.,
Chief Secretary to the Government of
Mysore, Bangalore.

Sir,

With reference to my representation at the recent Assembly meeting for the granting of Taccavi loans to Coffee Planters for the current year,-

I beg to request that you will be pleased to sanction the loans at an early date, as this is the - season to carry out all work in the Coffee Estates prior to crop picking which commences in November -

Advances for work are only available at from 40 to 45 % and merchants are exploiting the smaller coffee planters and are making agreements to buy their crops at - from Rs. 5/- to Rs.10/- a maund, the present price being - Rs. 20/-.

I most respectfully request that you will be pleased to sanction the loan at once as some time must elapse for inspections and estimates of crops.

I beg to remain,

Sir,

your most obedient servant,

C. Ramaiah Khan

Coffee Planter & Member of the
Representative Assembly.

D 1516

21

To

RAJASAVADHURINA

Sirdar M. Kantaraj Urs, B.A.,C.S.I.,

Dewan of Mysore,

Camp Mysore.

S i r,

With reference to the decision of Government not to grant Loans to Coffee Planters this season, I beg to request that you will be pleased to re-consider their case and accord sanction to the granting of Loans on the same lines as those adopted during the last year.

That is

(1) Estimates and valuation of crop by Government officials, with the aid of Panchayatdars.

(2) Sanction and granting of loans after scrutiny by the Special Committee.

(3) Recovery of outstanding if any, through the Revenue Authorities as arrears of Revenue.

Last year the estate of every applicant for a loan was visited, inspected and crop estimated. The reports of the officers and estimates were thoroughly scrutinised by the Special Committee, consisting of three experienced Coffee Planters. The sums advanced last year have been recovered with interest. An unique experience in the history of Government advance - a saving of Rs 15,000/- to Rs 20,000/- in shape of interest alone accrued to those who took advances.

It is impossible for the Indian Planters to borrow money except from Marwadies and Labbayas at 36% to 48% interest.

The Planters are in a worse position this year than last, as on account of the low rate of Exchange no money is coming from England.

Merchants are already exploiting the Planters. Agreements are being made to buy Coffee from the small producers at ₹ 8/- to 10/-, a maund, the present price being ₹ 20/-with a rising market.

Unless the planters, especially the Indian Planters and the smaller holders are helped at this juncture they will suffer great loss and not be able to avail themselves of these abnormal prices, which will relieve them of all their debts in a couple of years and put them all in a sound financial position.

I beg you will consider these matters with a favourable consideration and help to relieve the financial crisis relief that will naturally help all progress in this District.

I beg to remain,

S i r,

Your most obedient servant,

C. Russell Rhem

Coffee Planter & Representative

Assembly Member,

Kadur District, Chikamagulur.

Dated, Chikmagalur, 29th October 1919.

Date of Receipt.....

Petn. Regr. No. 110

To,

Rajaseva-dhurina,

Sirdar M.Kantaraj Urs, Esquire, B.A., C.S.I.,

Dewan of Mysore,

BANGALORE.

Sir,

With reference to my representation at the recent Assembly meeting for the granting of Taccavi loans to Coffee Planters for the current year,-

I beg to request that you will be pleased to sanction the loans at an early date, as this is the - Season to carry out all work in the Coffee Estates prior to crop picking which commences in November -

Advances for work are only available at from 36 to 48 % and merchants are exploiting the smaller coffee planters and are making agreements to buy their crops at - from Rs. 8/- to Rs.10/- a maund, the present price being - Rs. 20/-.

I most respectfully request that you will be pleased to sanction the loan at once as some time must -- elapse for inspections and estimates of crops.

I beg to remain,

Sir,

Your most obedient servant,

C. Russell Khan

Coffee Planter & Member of the

Representative Assembly.

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to .. ..

2 Dft.

Section ~~97~~

File No. 85-9

Serial No. 2

GENERAL AND REVENUE SECRETARIAT

( )

, the 191 .

No. H 3801

Date of issue 22nd Dec/19

Signed by W Mackenzie

To

The Manager,

Mysore Bank Ltd.

Dear Sir,

Please ~~Invite~~ Request ref. to your 2nd. reply to the office note dt. 20.10.20 in the matter of asking ~~financial~~ accommodation ~~assistance~~ to coffee planters, I am ~~directed to~~ ~~convey to you the gratification of Govt. at your~~ proposed visit to Chickmagalur in order to discuss the question of advances to

~~that~~ Govt. are glad ~~published~~ to learn that you

over.

25

Coffee planters ~~& out~~ and hope
~~hope that~~ Expect that the Bank will
be able to adopt a
~~more liberal attitude~~ that as a
result of ~~this~~ your visit, ~~as it seems~~
~~the records seem to show~~
~~that the Bank's present~~
~~diffidence is due to the~~ ~~misapprehension of the~~ ~~appreciation~~
~~situation. While you have~~
~~stated in your note~~
that invariably both the
estate and in many instances
the crops as well of the planters
are mortgaged, Mr.
Nepper the Dt. Econ. Supdt.
states as follows in a letter addressed
to you:—

With ref. to advances
on growing crops on
mortgaged estates, in nearly
any case are the crops
encumbered & the mortgagor

The cases in which the planters will receive the required assistance—

~~in applying for take holds~~
~~them~~

~~of application of the Regulations~~
~~Dd Ec. Supdt. circularly~~
~~of the Regulations~~
~~of Mr. Nepper Dt Ec. Supdt. states~~
~~that in nearly every case~~
that the crops are generally not encumbered & that accordingly the mortgagor has to give to agents, ~~in~~ ~~cases~~.

List of enclosures.

Copied by

Examined by

W D86—GPB—60,000—15-11-16

29

has powers to sell them to any body." If this is a correct representation of facts, the promise of the Bank to advance 50% of estimated crop value should help the planters much. It will hardly be possible to get an estate which is NOT mortgaged; but whenever the mortgagor has full powers of disposal over the crops, it is hoped the Bank would advance about 50% of estimated value. I await the result of your visit to Chickmagalur and may kindly be sent to Govt, if there be no objection.

Yours &c.

Govt would like to have a

Govt would be glad to be favoured with a report

for their information

7/8/18

For Finl. Secy

16/8/18

11/8

K-3801 B 2272 25

Dear Sir,

I request reference to your reply to this office Un-official No. dated 28th November 1919 in the matter of affording -- accommodation to Coffee Planters. Government are glad to learn that you propose to visit Chikmagalur in order to discuss the question of advances to Coffee planters and hope that as a result of your visit the planters will receive the required assistance . Mr. Meppan, District Economic Superintendent states that the crops are generally not encumbered and that the mortgagers accordingly have power to sell them to anybody. If this is a correct representation of facts, the promise of the Bank to advance 50% of estimated crop value should help the planters. Government would be glad to be favoured for their information with a report of the result of your visit to - Chikmmagalur .

Yours sincerely,

To

W.C.Rose, Esq.,

Manager,

Bank of Mysore Ltd.,

28

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

2 Nos.

Section 92
File No. 85-19
Serial No. 3

GENERAL AND REVENUE SECRETARIAT
( )
, *the* 191 .

No. H 3802

Date of issue 12 Dec/19

Signed by W B Ulsmith Lieut

To

C. Rasoolkhan Esq.
Coffee Planter, & Rep.
Assembly Member, Chikmaglur.

Sir,

With ref. to your
re presentations to Govt. for
extending the concessions of the grant of Taccavi loans
during the current year
to coffee planters, I am also
directed to inform you
that you may apply
to the Bank of Mysore
for assistance

over.

14

~~Granted~~, as Govt. cannot
[illegible] normal condition of
trade give advances that
may savor of competition
with ~~private~~ banks.

I have etc.

18 July Find. M. Seay.
12/12
Copy to Econ. Sect
(Dec.)

[illegible]
10/12.

TSL
11/12

List of enclosures.

Copied by

Examined by

W D&C—GPB—60,000—15-11-16